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MEETING OF THE COUNCIL OF PROVINCIAL ENERGY MINISTERS (CPEM)

Energy Security in Canada

Québec's Position

Québec

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ENERGY SECURITY IN CANADA

QUÉBEC'S POSITION

HIGHLIGHTS

In the short term, energy security can be defined as the capacity to respond effectively to a significant interruption or reduction in supply, or to an excessive increase in prices owing to fears of shortages.

In the medium and long term, energy security consists in ensuring the availability in sufficient quantity and at a competitive price of all energy sources.

Québec accounted for 50% of Canadian imports of crude oil in 1985 and the National Energy Board predicts this ratio could reach 85% in 1995 with the development of Hibernia. The problem of energy security supply in Canada is thus primarily a problem of energy security in Québec.

EVOLUTION OF ENERGY SECURITY IN QUÉBEC

Greater energy security in Québec has been achieved through increased energy efficiency and the penetration of electricity, natural gas and wood. This evolution should continue in the future, but at a slower pace.

Moreover, the opening of the Sarnia-Montréal pipeline has considerably reduced the need to buy oil on the world market.

MEASURES AIMED AT IMPROVING THE SECURITY OF ENERGY SUPPLY

A number of measures could be implemented to ensure a higher degree of energy security in the coming years and thereby reduce Canadian dependence on oil imports.

With respect to demand,

- it would be difficult, for Québec, to increase the energy conversation measures and the penetration of electricity, natural gas and wood already envisaged;

- the use of NGLs as a raw material for the petrochemical industry and the use of oxygenated fuels in transportation would be the two possible steps that could be taken in the area of demand;

- the maintenance of current levels of sales, principally with respect to natural gas, would be another desirable step.

With respect to supply,

- an increase in Canadian oil production through tax incentives, particularly at the level of exploration;

- the production of light crude from bitumens by assisting in the launching of profitable projects and in the development of new technologies;

- acceleration of the development of heavy oil reserves in frontier regions;

- an increase in the use of heavy oil in Canada, especially in eastern refineries;

- maintaining the operation of the Sarnia-Montréal pipeline at current volumes to complement measures aimed at increasing western Canadian oil production;

- Canadian oil export controls would not significantly contribute to improving long term security of supply.

In the shorter term, measures for responding to a significant interruption or reduction in world market oil deliveries must also be studied, such as,

- the continued operation of the Sarnia-Montréal pipeline would provide an efficient, economical means of ensuring great flexibility in supply to Québec refineries by making it possible for Québec to quickly increase its purchases from Western Canada;

- if Québec should become isolated from the rest of Canada, despite the other measures regarding supply and demand, it would have to consider building up strategic reserves to ensure its security of supply;

- as far as Québec is concerned, the other measures aimed at increasing Canadian supply and maintaining the Sarnia-Montréal pipeline in operation are preferable.

Ministère de l'Énergie et des Ressources du Québec (Secteur Énergie)

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